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1950

Annual Report

General Shoe
CORPORATION

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MAXEY JARMAN

CHAIRMAN
GENERAL SHOE CORPORATION
NASHVILLE, TENNESSEE, U. S. A.

1950

Annual Report

General Shoe Corporation Nashville, Tennessee

THE GENERAL SHOE YEAR IN BRIEF

	YEAR ENDED OCTOBER 31	
	1950	1949
Total Volume of Business	$105,314,604	$96,066,589
Net Sales Less Inter-Branch Business	84,441,016	77,694,162
Net Earnings	3,896,715	2,416,379
Earnings Per Share	5.04	3.14
Percent of Net Earnings to Net Sales	4.61	3.11
Dividends Per Share of Common Stock	2.50	2.50
Net Worth	23,233,487	20,155,651

Annual Report 1950

Good Results for This Year

The twelve months ending October 31, 1950, were the best our Company has ever had. It was the largest year in dollar volume, more pairs of shoes were produced and sold, and dollar earnings were the highest.

These good results are due to a number of factors. Our manufacturing plants were more efficient. A strong quality campaign has been under way for many months. There were benefits from the improved quality that came as a result of this campaign. Customers were better pleased with our products, and losses due to damaged goods in the plants were reduced.

Our production planning has been much better. The production of goods throughout the year was on a more even basis. This is helpful both in quality and in costs. Our administrative and distribution overhead expenses were reduced in relation to the volume of business. Our retail stores improved their profits. These factors show that the organization is functioning in a much more effective way.

The better results were evident in each quarter of the year. There were no unusual gains on war business or inventories. The military services bought fewer shoes this year than last, and our production of such shoes was much smaller. Inventories are priced on the basis of cost or market, whichever is lower. Customers received the gain from lower cost materials by having placed orders ahead.

A Balanced Operation

The average selling prices of our products through the year were lower than in the previous year. At the same time the average wages of our employees were the highest they have ever been. Not only were the average hourly earnings of employees higher than they have ever been, but the average weekly earnings were also higher because of the steadier production through the year. The increased Company earnings, the better service to customers, and the higher wages of employees all point to a good balance in operation. Still further results are expected to develop along these same lines. We believe that our management is making good progress, and working on sound principles.

The earnings amply covered requirements on the preferred and preference stocks. The $2.50 dividend rate on the common stock was continued with a good margin to spare. This margin of earnings retained in the business acts as a reserve for future ups and downs, and will help provide for growth of the business.

New Financing

While our present capital is enough for our current needs, we are planning ahead for what might be needed in the near future. Our Company is growing, and the inflation trend in our country indicates that capital needs very likely will be greater. Therefore, it seemed wise to provide some additional capital. Arrangements for this took place after the end of our fiscal year, so this is not reflected in the October 31 balance sheet.

On November 1, we refinanced our long term loan which amounted to $7,472,048 at October 31, 1950. Instead of the interest rate of 3⅛% on the old funded indebtedness, the interest rate on the new notes will be 2.9%. The amount will be $10,000,000 payable in annual installments beginning May 1, 1954, of $400,000 to $700,000, depending on earnings. The final amount will become due on November 1, 1970. The new financing on a lower interest rate will provide extra working capital which we think will be needed in the next few years.

A New Division

Negotiations extending over a period of months resulted in the acquisition by our Company on June 30, 1950, of the W. L. Douglas Company of Brockton, Massachusetts. W. L. Douglas is an old, well-known manufacturer and retailer of men's shoes, established in 1876. Because of labor and financial problems extending over a period of many years, stockholders of the Douglas Company decided that a basic change in their setup had to be made.

The transaction was handled by a merger between a subsidiary of our Company and the W. L. Douglas Company. Thus, the W. L. Douglas Company became a subsidiary of General Shoe Corporation. In this merger General Shoe Corporation issued 28,475 shares of additional common stock previously authorized. Our working capital was increased approximately $940,000 by the merger, and in addition other assets were received.

The manufacturing plants at Brockton, Massachusetts, which had not been in use by the Douglas Company for some time, have been disposed of. The Douglas Company also operated another plant in Scranton, Pennsylvania, which they did not own but had on a lease basis. Our Company has closed this plant. We now manufacture Douglas shoes in our plants located in the South.

W. L. Douglas retail stores are continuing to be operated, and a strong improvement program is

How our $105,314,604 of sales were used

Total volume of business	$105,314,604	
Less value of products made in one division for use in another division	20,873,588	
Value of products sold to customers	$84,441,016	100.0
This amount was used as follows:		
Cost of leather, other materials, products and services from outside suppliers	48,932,930	58.0
Wages of employees	26,263,887	31.1
Discounts and allowances to customers	921,036	1.1
Wear allowance on machinery, equipment and buildings	796,295	.9
Taxes paid	3,377,162	4.0
Interest paid on borrowed money	252,991	.3
Expense of capital used—dividends	1,978,499	2.3
Additional equipment purchased	207,587	.3
Balance to pay off debt and for growth	1,710,629	2.0
	$84,441,016	100.0
Amount of earnings as a per cent of volume	4.61%	
Amount earned per share of common stock	$5.04	

planned for them. Douglas shoes will also be sold by retailers throughout the country. You will see them advertised in national magazines, newspapers and window displays.

Israel Plant Completed

Now we can report the completion of a modern shoe manufacturing plant in Jerusalem, Israel. Our company joined with American and Israeli capitalists in this enterprise. We have sent a management team to supervise construction of the plant, equip it with machinery, train native men and women in shoemaking, and direct the operations. The shoes are being sold in Israel and in other countries abroad.

Better Things for Our Employees

As a part of a progressive program of employee relations, our Company is setting up a limited guaranteed employment plan for certain employees with five years or more service with the Company. A careful study of our operations over a period of years has shown that we can schedule our production to give this assurance to these employees.

In October of this year, a general wage increase was put in, which continues to keep the average wages of our employees higher than the shoe industry. At the same time the productivity of our employees averages higher than the industry and makes possible good values for our customers.

Our employees have also been put on a cost of living adjustment pay basis. For each 2% increase of the August, 1950, cost of living index, wages are increased by a stated amount.

Outlook for the Future

Prices of shoes have been increased considerably in the last few months. This is due to rapid advance in the cost of hides, leather, rubber, textiles and other products used in our merchandise, as well as the increase in the cost of labor. However, the average prices of our shoes are still lower than the peak reached in 1948. Certain types of shoes are higher and others are not up as much.

Military demands for shoes have not yet developed in a very large way. The industry should be able to take care of these demands and civilian demands without too much trouble. There may be certain types of materials that will not be in as good supply for civilian shoes as they have been. Stocks of hides throughout the country are somewhat lower than we would like to see them. There is a temporary difficulty in obtaining enough rubber, and a few other items, but shoes will be in good supply.

It is expected that the dollar volume of the shoe industry during the coming year should be somewhat higher than during the past year. At the same time, because of the higher prices on shoes, it is possible that the pair consumption may be somewhat less. The recent credit restrictions placed on home building and products with a high unit cost may help the shoe industry to some extent. This may mean that some extra money may be spent for apparel that has been going in other directions.

Our Company, with a broad line of products in all of the popular price ranges, is in a position to meet the changes that are now taking place. Our organization is flexible and adjusts itself quickly to new conditions.

Higher Taxes Ahead

Congress may put in excess profits taxes some time soon. If made retroactive to October 1, they would affect one month of our fiscal year operations. Because the tax has not been passed and has not been determined, it is not possible to figure what the effect on our Company would be, either for the past year or for coming years. However, from the various proposals that have been considered by Congress, it is not believed that the excess profits tax of itself would affect the dividend rate that we have been paying. We believe that we will still have sufficient margin of earnings to help provide for future capital needs as well.

On May 27, 1950, W. A. Spickard, a Director and Officer of our Company, was struck by lightning and killed instantly. His death was a great loss to our Company, to the community, and to his family.

Basis for Optimism

Our country faces a great many worldwide problems. The strength of our country has always been in the character, willingness to work and the common sense of the people. Throughout our history we have had political leadership that has been far from perfect, but in spite of that leadership rather than because of it, our country has continued to make progress.

The Twentieth Century Fund, a non-profit research organization, recently made this statement which rings true: "When we stand aside from the immediate concerns of this month or last, from the inflation or deflation of the moment, and take a long look behind, the minor ups and downs flatten out in a rising curve of economic activity, of increasing productive power unique in the annals of this world. It is deeply impressive. When we project this curve into the future, assuming that we can continue to act as we have in the past, we begin to realize America's vast economic and social potential."

Our Company has an organization of people ready to move ahead in spite of the problems that may arise. We are optimistic about the progress that the future holds.

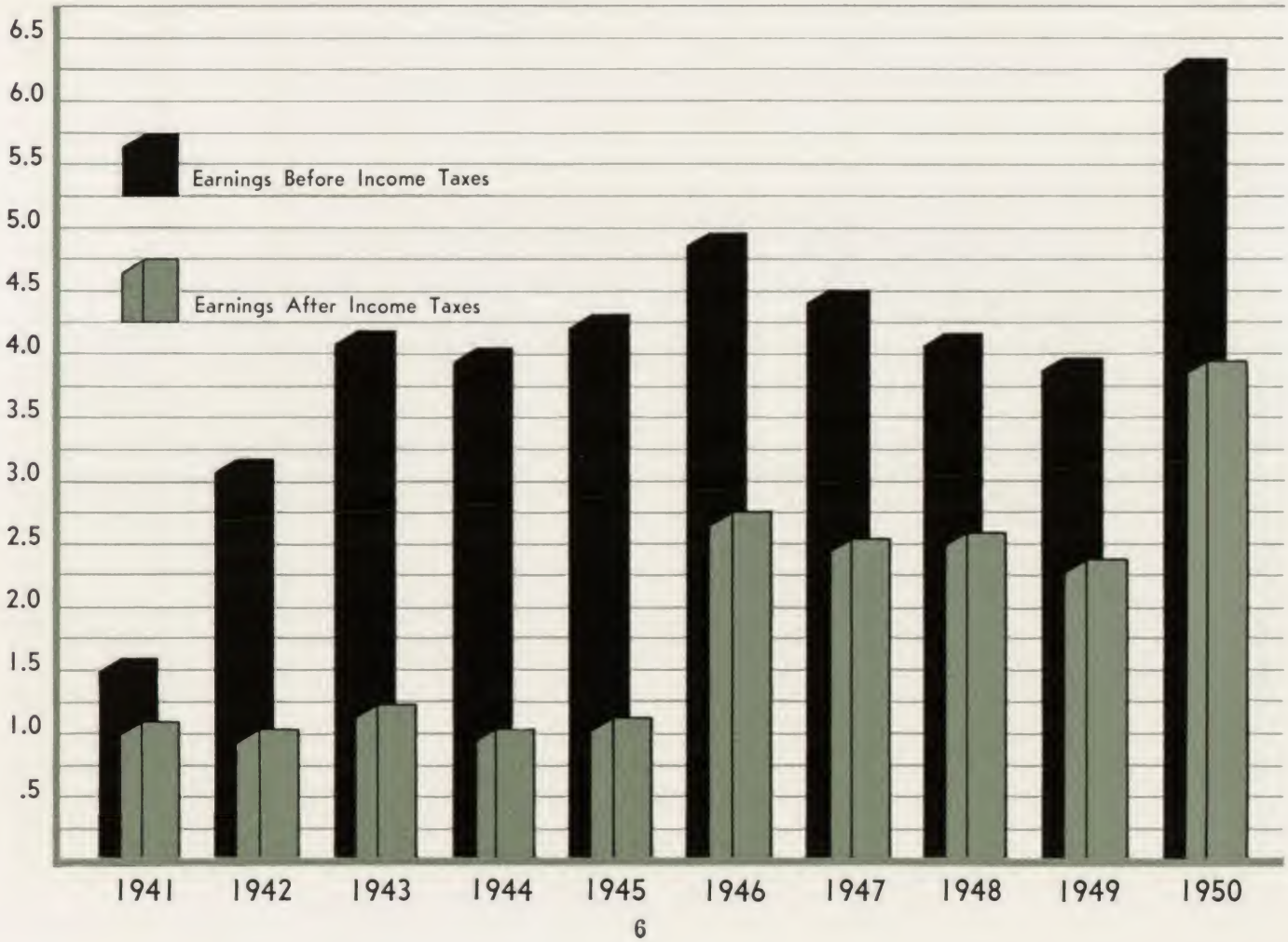
Chairman

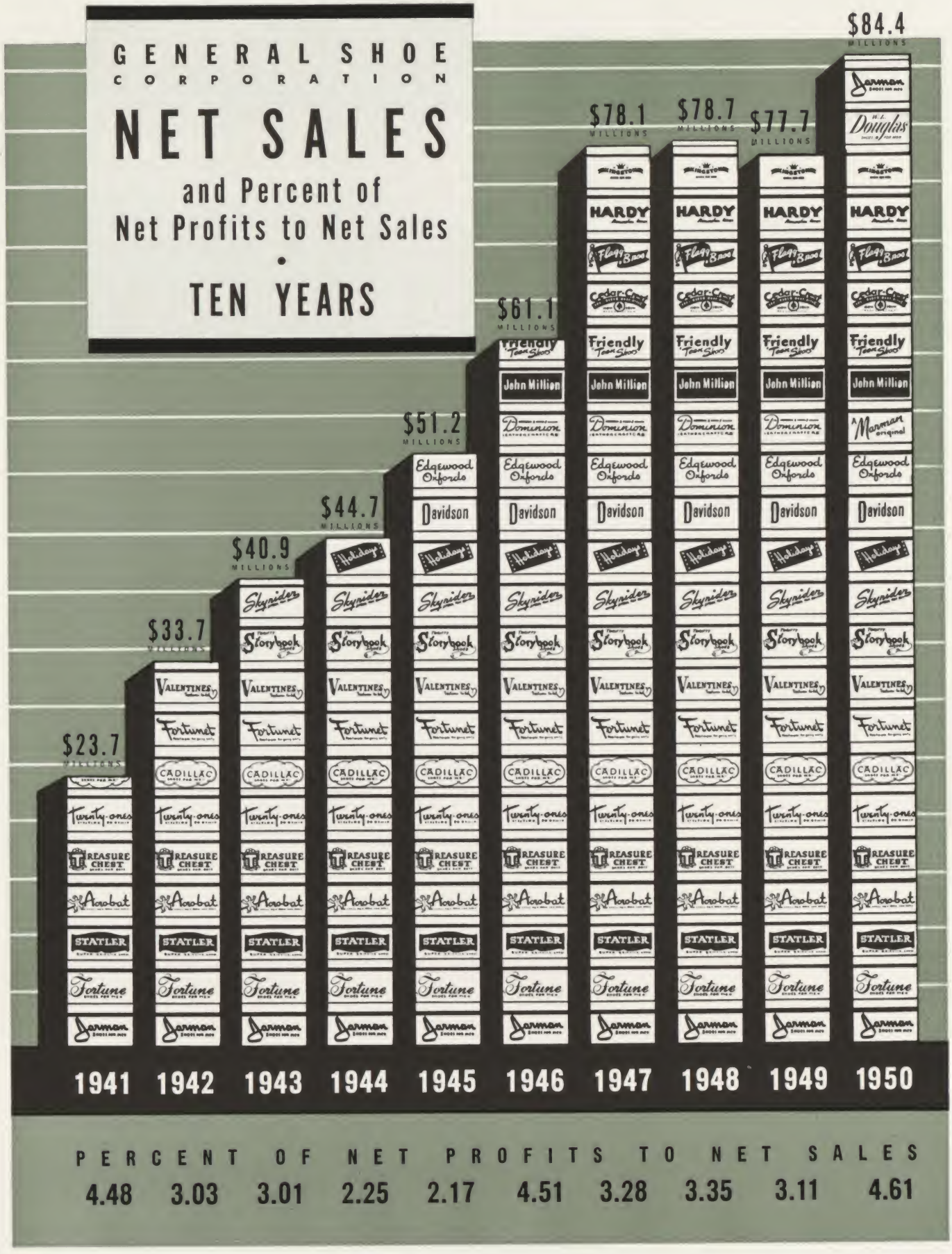
President

FOR THE BOARD OF DIRECTORS
NOVEMBER 24, 1950

Earnings Before and After Income Taxes

(In Millions of Dollars)




GENERAL SHOE CORPORATION
NET SALES
and Percent of
Net Profits to Net Sales
•
TEN YEARS
$23.7 MILLIONS
$33.7 MILLIONS
$40.9 MILLIONS
$44.7 MILLIONS
$51.2 MILLIONS
$61.1 MILLIONS
$78.1 MILLIONS
$78.7 MILLIONS
$77.7 MILLIONS
$84.4 MILLIONS
1941 1942 1943 1944 1945 1946 1947 1948 1949 1950
PERCENT OF NET PROFITS TO NET SALES
4.48 3.03 3.01 2.25 2.17 4.51 3.28 3.35 3.11 4.61

General Shoe Corporation

Consolidated Balance Sheet . . .

Assets

	As of October 31 1950	1949
Current Assets:		
Cash	$ 5,532,971	4,656,420
Accounts receivable, less reserve	9,289,379	7,155,424
Advances on open contracts	—	393,984
Inventories:		
Finished products and work in process—at approximate cost	8,824,038	6,874,567
Raw materials and special merchandise—at lower of cost or market	5,855,435	6,333,410
	14,679,473	13,207,977
	29,501,823	25,413,805
Investments—at cost, less reserve	190,046	280,082
Officers' and Employees' Stock Purchase Accounts—secured	990,138	950,729
Plant, Equipment, and Leasehold Improvements—at cost	7,287,769	5,821,730
Less—Depreciation and Amortization	2,789,446	1,924,414
	4,498,323	3,897,316
Goodwill, Patents, and Trade Marks	1	1
	$ 35,180,331	30,541,933

Liabilities

Current Liabilities:		
Accounts payable and accrued expenses	$ 1,877,950	1,430,771
Provision for taxes on income	2,391,000	1,585,700
Less—U. S. Treasury Savings Notes	—	321,600
	2,391,000	1,264,100
	4,268,950	2,694,871
3⅛% Promissory Notes—refinanced November 1, 1950 by 2.9% notes (principal $10,000,000) payable from May 1, 1954 (maximum annual installments $700,000)	7,472,048	7,472,048
Reserve for Contingencies and Self-Insured Risks	205,846	219,363
Stockholders Equity—restricted except as to $3,000,000:		
$3.50 cumulative preference stock without par value. Authorized 50,000 shares, outstanding 45,444 and 46,582 shares, 1950 and 1949	4,544,400	4,658,200
Preferred stock without par value callable at $7.50 per share (40c per annum cumulative). Authorized and oustanding 99,260 shares	496,300	496,300
Common stock, par value $1 per share. Authorized 1,200,000 shares; outstanding (less 1826 and 1732 shares in treasury) 733,790 and 705,409 shares, 1950 and 1949	733,790	705,409
Additional paid-in capital	7,635,454	6,390,415
Earnings retained in business	9,823,543	7,905,327
	23,233,487	20,155,651
	$ 35,180,331	30,541,933

and Consolidated Subsidiaries

Statement of Consolidated Earnings . . .

(Including W. L. Douglas Shoe Company from date of acquisition, June 29, 1950)

	Years Ended October 31 1950	1949
Net Sales	$ 84,441,016	77,694,162
Other income	837,198	722,101
	85,278,214	78,416,263
Cost of sales, selling, administrative, and general expenses (depreciation, amortization, lasts, dies, and patterns $1,253,112 and $1,016,788, 1950 and 1949)	77,538,869	73,214,162
Contribution to employees retirement fund	250,000	100,000
Interest paid on 3⅛% promissory notes	233,501	233,793
Other charges	982,129	930,929
Provision for taxes on income	2,377,000	1,521,000
	81,381,499	75,999,884
Net Earnings for Year	$ 3,896,715	2,416,379

Statement of Consolidated Additional Paid-In Capital

Amount at beginning of year	$ 6,390,415	6,372,873
Amount realized through sale and purchase of preference and common shares	18,178	17,542
Amount arising through acquisition of W. L. Douglas Shoe Company June 29, 1950	1,226,861	—
Amount at end of year	$ 7,635,454	6,390,415

Statement of Consolidated Earnings Retained In Business

Amount at beginning of year	$ 7,905,327	7,456,469
Net earnings for year	3,896,715	2,416,379
	11,802,042	9,872,848
Dividends:		
Preference stock	160,994	164,424
Preferred stock (paid to July 2, 1950)	39,704	39,704
Common stock	1,777,801	1,763,393
	1,978,499	1,967,521
Amount at end of year	$ 9,823,543	7,905,327

ACCOUNTANTS' REPORT

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

7 NORTH SEVENTH ST.

ST. LOUIS 1, MO.

To the Board of Directors,
General Shoe Corporation,
Nashville, Tennessee.

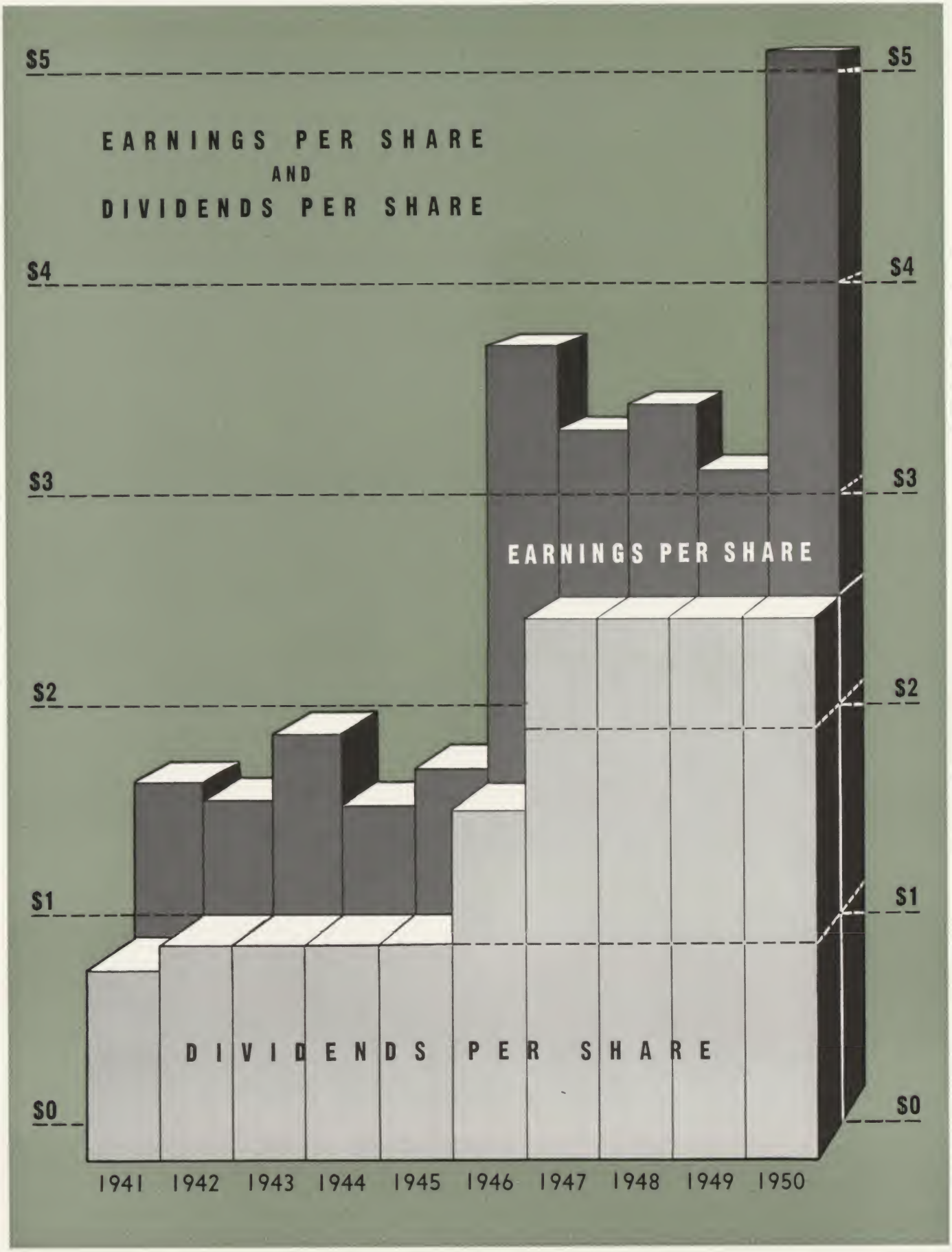
We have examined the consolidated balance sheet of General Shoe Corporation and its consolidated subsidiaries as of October 31, 1950 and the related statements of earnings, additional paid-in capital, and earnings retained in business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The companies operate at various locations under long term leases, the major portion of which expire successively to 1960. Minimum annual rentals on leases expiring after October 31, 1953 aggregate $1,263,000.

In our opinion, the accompanying balance sheet and statements of earnings, additional paid-in capital, and earnings retained in business with the foregoing explanation present fairly the financial position of General Shoe Corporation and its consolidated subsidiaries at October 31, 1950, and the results of their operations from the year then ended, including W. L. Douglas Shoe Company from date of acquisition, June 29, 1950, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

St. Louis, Missouri,
November 24, 1950.


EARNINGS PER SHARE
AND
DIVIDENDS PER SHARE
$5
$4
$3
$2
$1
$0
EARNINGS PER SHARE
DIVIDENDS PER SHARE
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950

1941 • 1950

10-YEAR COMPARISON OF OPERATIONS

	Total Volume of Business	*Net Sales Less Inter-Branch Business*	*Income Taxes*	*Net Earnings*	*Per Cent of Net Earnings to Net Sales*	*Earnings Per Share Common Stock*	*Dividends Per Share Common Stock*
1941	$28,703,862	$23,729,198	$ 509,700	$1,064,151	4.48	$1.63	$0.90
1942	39,949,226	33,738,749	2,148,400	1,023,373	3.03	1.57	1.00
1943	48,990,794	40,886,381	2,936,700	1,229,136	3.01	1.90	1.00
1944	53,474,786	44,716,808	3,002,650	1,007,411	2.25	1.54	1.00
1945	61,122,583	51,177,677	3,174,200	1,110,749	2.17	1.71	1.00
1946	75,367,861	61,133,798	2,207,123	2,755,372	4.51	3.76	1.60
1947	97,248,511	78,142,458	1,937,792	2,566,500	3.28	3.34	2.50
1948	99,580,268	78,682,562	1,544,689	2,639,762	3.35	3.45	2.50
1949	96,066,589	77,694,162	1,521,000	2,416,379	3.11	3.14	2.50
1950	105,314,604	84,441,016	2,377,000	3,896,715	4.61	5.04	2.50

	Book Value Per Share Common Stock	*Shares Common Stock Outstanding*	*Depreciation and Amortization*	*Earnings Reinvested in Business Development*	*Current Assets*	*Current Liabilities*	*Net Worth*
1941	$11.49	626,671	$ 326,508	$ 460,270	$ 7,380,109	$ 880,885	$ 7,693,942
1942	12.05	627,173	561,695	356,614	10,281,900	876,851	8,054,660
1943	12.95	627,391	308,735	562,039	10,654,807	973,238	8,618,858
1944	13.46	627,391	348,333	340,315	10,570,155	1,073,386	8,939,322
1945	14.16	627,391	401,921	443,654	14,363,699	1,485,880	9,382,976
1946	18.74	704,321	547,675	1,560,922	17,723,628	1,309,947	18,692,768
1947	19.62	704,918	883,900	593,235	18,146,404	2,143,718	19,225,654
1948	20.61	705,132	1,146,767	669,562	24,580,470	1,847,178	19,749,974
1949	21.27	705,409	1,016,788	448,858	25,413,805	2,694,871	20,155,651
1950	24.79	733,790	1,253,112	1,918,216	29,501,823	4,268,950	23,233,487

Stores Like These

Joined General Shoe's Thousands of Independent Dealers

HESS BROTHERS
Allentown, Pennsylvania

FLINT & KENT
Buffalo, New York

KNIGHT SHOE CO.
Portland, Oregon

RICHARD'S
Boston, Mass.

CITY OF PARIS
San Francisco, Calif.

LOUVRE "21" SHOES
Topeka, Kansas

JUSTER BROS.
Minneapolis, Minn.

WEBER AND HEILBRONER
9 New York–Newark Stores

COHEN BROS.
Jacksonville, Fla.

LOWENSTEIN'S
Memphis, Tennessee

SAKS–34TH
New York

DAVISON-PAXON CO.
Atlanta, Georgia

Facts and Photos of General Shoe

BACK OF THE BALANCE SHEET . . .

People, Products and Progress

EMPLOYEE ADVISORY COMMITTEES result in wide-scale participation by thousands in plant community affairs.

THIS FAMILY and all other General Shoe families have the protection of a retirement fund paid for wholly by the company. This year it was revised and improved again.

GRIEVANCES of any employee can be taken to the Grievance Committee conducted by non-management workers.

WORTH $500 CASH . . was this suggestion for a shoemaking method improvement turned in by this competent lady at the right. Presenting the check is Henry W. Boyd, Jr., President.

This Is How We Operate

Now ending its twenty-sixth year in business, General Shoe has grown to be an organization of about 10,000 men and women. The ratio of these is nearly 50-50.

Our company was founded here in Nashville in 1924. Today it has plants in 18 American towns and cities, plus others in Israel, Mexico and Peru. These plants make men's, women's and children's shoes. We own and operate retail shoe stores in many large cities of the country. General Shoe is most widely represented, however, by the thousands of independent retailers who sell our shoes. Every city of any size in America, and thousands of even the smallest ones, have independent retailers carrying General Shoe products.

Besides shoe manufacturing, we have an upper leather tannery, a plant for making women's handbags, and two for making our own shoe boxes. We also manufacture waxes and chemicals for shoe manufacturers. Another plant makes window and store display equipment for our own retail stores and for many others.

Our Sales Divisions

Shoes manufactured by our company are sold through the following divisions and subsidiaries:

Jarman Shoe Co.	**Fortunet Shoe Co.**
Richland-Davidson Shoe Co.	**Bellwood Shoe Co.**
Dominion Shoe Co.	**Acrobat Shoe Co.**
Cedar-Crest Shoe Co.	**Storybook Shoe Co.**
Edgewood Shoe Co.	**Family Shoe Supply Co.**
Barrett Shoe Co.	**W. L. Douglas Shoe Co.**

Each of these sales divisions handles one or more distinct brands of shoes. The plan is a specialized one, with each division having its separate sales organization and division manager. The sales territory of any division is the entire country.

In addition to the many thousands of independent retailers who sell our shoes, some of America's best-known chain stores and mail order houses are our customers. Most of the shoes which we sell to the latter types of customers are made up to their own order. In turn they retail them under their own brand names.

We call attention to the W. L. Douglas name which now becomes one of our important sales subsidiaries. This brand is being continued at wholesale by our company, and is being backed by a vigorous national advertising campaign. Under the Douglas brand will be men's and boys' dress shoes, and men's work shoes.

Nearly 200 independent stores in over 30 states now carry our men's, women's and children's shoes exclusively, as a development of our Friendly Franchise Store Plan Division.

THREE MILLION SAFE WORKING HOURS was the record of this plant. This year our plants cut their accident compensation cost 35 per cent over 1949. It was our best safety year.

MILITARY BOOTS AGAIN. In World War II our plants made over seven million pairs of military boots and shoes. The nation's preparedness plans call for considerable production.

AMERICAN LEGION calls on General Shoe Chairman Maxey Jarman and presents a plaque for the company's contributions to the civic life and general welfare of city and county.

CONGRATULATIONS from a proud plant superintendent (at right) to an even prouder shoe cutter on his 25th service anniversary. He is a top employee stockholder and leader.

PLANT EXPANSION AT HOME AND ABROAD

KENTUCKY. In Danville, home of Centre College's once-famous "Praying Colonels" football team, this 47,000 sq. ft. plant will soon make women's style shoes.

Plants—and Where They Are

In four southern states we have 19 shoe manufacturing plants, as follows:

MEN'S SHOE PLANTS	WOMEN'S SHOE PLANTS
Nashville, Tenn.	Frankfort, Ky.
Gallatin, Tenn (2)	Danville, Ky.
Tullahoma, Tenn.	Nashville, Tenn.
Pulaski, Tenn.	McMinnville, Tenn.
Lewisburg, Tenn.	Cowan, Tenn.
Waynesboro, Tenn.	Lawrenceville, Ga.
Atlanta, Ga. (boys' shoes)	
Huntsville, Ala.	

CHILDREN'S SHOE PLANTS

Centerville, Tenn	Camden, Tenn.
Hohenwald, Tenn.	Carrollton, Ga.

Our small plant at Danville, Ky., is soon to be replaced by a much larger, completely modern plant. With 47,000 square feet, it will later produce up to 4,000 pairs of women's style shoes per day, with perhaps 500 employees.

Our children's shoe plant at Carrollton, Ga., now has a doubled capacity, following a building program there.

Kinds and Prices of Shoes

Approximately two-thirds of the shoes produced by us were men's, one-fourth women's, the balance children's.

GEORGIA. This plant in Carrollton now has doubled capacity for making children's shoes.

TENNESSEE. High style women's shoes are made in this Nashville plant, acquired during the year.

JERUSALEM. In this capital of the new Israel, General Shoe becomes a partner to launch the nation's first shoe manufacturing plant, just completed.

ISRAEL men and women learn shoemaking from a General Shoe instructor from Tennessee.

Our classification of men's shoes includes boys' and men's dress shoes, work shoes and work boots in many styles.

We make many types of women's style shoes, casuals, sports and walking oxfords.

Our children's shoes come in many types and styles for all ages.

All of our products are in the middle price ranges, where most of the people buy.

Ladies' Handbags

Our Marman Bag Company in Nashville manufactures ladies' handbags and men's wallets.

Display Division

Our General Products Company produces modern display cases and fixtures for our own retail shoe stores and for many other clients as well. Its new building already plans a 1951 addition.

Michigan Tannery

At Whitehall, Mich., we operate an upper-leather tannery which is modernizing its facilities and expanding its production.

Plant for Cutting Soles

Most of the leather soles used in our shoes are cut in our plant—Southern Sole Company—in Nashville. This plant also produces heels, counters and other items used in the making of shoes.

GENERAL SHOE EMPLOYEES set a community record in giving blood to the Red Cross.

EXPORTING SHOES 8,000 miles across the Pacific. Ribbon on map stretches from Nashville to Manila, P.I., to indicate range of this foreign trade division.

Making Our Paper Boxes

Through an enlargement of facilities, our Capitol Container Company this year began making a still-larger portion of the shoe boxes used in our business. One plant in Nashville and one in Huntsville, Ala., made eight million boxes, or about half of our total needs for 1950 production. With expanded facilities, we expect to produce a still larger part of our needs in the future.

Waxes and Chemicals

General Wax Industries, another of our divisions, now supplies a large part of all the cement, finishes and chemicals used in our business. Other shoe manufacturers are serviced by the division also. In addition, we supply these needs for our shoe plants in Mexico, Peru and Israel.

Foreign Plants

Newest of developments in manufacturing abroad was the completion this year of a shoe manufacturing plant in Jerusalem, Israel. It has created some international interest because of its timeliness in the industrial development of the new Jewish nation.

We have now had nine years' experience in our plant in Mexico City, Mexico, making men's and women's shoes. This is our fifth year for manufacturing men's, women's and children's shoes in Lima, Peru. We also have several retail shoe stores there.

We are associated with Mexican and Peruvian industrialists in the operation of these plants. Operating management men are supplied from our Management Engineering Division here in Nashville.

Exporting and Importing

We ship shoes approximately around the world; actually to 18 countries. One photo in this report shows an 8,000-mile shipping route to the Philippines, our biggest customer. We sell also as far away as South Africa, Ethiopia, Liberia, the Persian Gulf area, Japan, Central America, Mexico, Canada, the West Indies, Malaya, Java, Hong Kong, and to all the U.S.A. territories and possessions. Army Exchange Posts around the world buy from us.

In addition to exporting, our General Shoe Intercontinental Company imports leather goods, footwear and other merchandise for resale in the United States.

Some Facts About Stockholders

Common stockholders of General Shoe increased from 4,380 to 5,693 during the year. Greatest concentration of these (nearly 35 per cent) is in Tennessee. Missouri stockholders make up over 13 per cent of the total. Another 10 per cent live in New York. The others live in 43 other states.

A recent analysis of our stockholders showed that approximately 1,200 people own 25 or less shares. Another 3,000 own from 26 to 100 shares. This adds up to over 75 per cent of our stockholders. Around 20 per cent own from 101 to 500 shares; about 2 per cent from 501 to 1,000 shares. Slightly more than 2 per cent own over 1,000 shares each—and no person owns as much as 5 per cent of our outstanding common stock.

EUROPEAN GIRLS from 12 nations visit General Shoe in Nashville and get outfitted in American footwear. Their visit was part of a "Hands-Across-the-Sea" program for acquainting foreign boys and girls with American ways of life.

Every company director is a substantial owner of our stock. Every year a larger percentage of other employees become stockholders.

On October 31 common stockholders received our 73rd consecutive dividend.

General Shoe People

Do workers stay in the shoe manufacturing business after they have once been employed? The answer to such a question can shed a lot of light on a company and the relations it has with its people.

Recently we made an analysis of service records at General Shoe's Main Street Plant in Nashville. Jarman shoes have been made by this organization since the first pair came out in August 1924. We wanted to see how the people of that plant regarded shoe-making as a life-time pursuit.

Thirty-four per cent of them have stayed with us over 15 years; 42 per cent over ten years; 58 per cent over five years, and 78 per cent over three years. Twelve per cent of the men and women in that plant have been with General Shoe over 20 years of the Company's 26-year history.

OPEN HOUSE at one of our new plants brought a large turn-out of visitors. This group shows keen interest in seeing how shoes are made. The program was broadcast to the entire community.

General Shoe has good employee relationships. We are fortunate in having as fellow-workers a stock of Americans who feel themselves capable of running their own affairs. They earn fairly in proportion to their ability to produce, and they return good work and good will for good pay and good treatment.

Pay As One Factor

Our company knows that pay is not the first-and-last yardstick of employee relations—but we do guarantee to our employees every effort to help them steadily raise their standard of living.

We are glad to report, in this connection, that General Shoe employees are receiving more pay and steadier working hours than the average of the entire shoe industry. Employee earnings for the last month of this year for which a comparison was available, were $3.50 per week higher that the average earnings of employees in the entire shoe industry. At various other times they have been much higher.

Better working hours for our employees was one of 1950's major objectives. It is satisfying to report that average hours worked per week by production workers in General Shoe plants were 39, compared with 37 hours for the shoe industry as a whole. Our 1950 average of 39 hours was an improvement over our 1949 average, which was 36 hours per week.

Employee Self-Government

General Shoe employees have their own Advisory Committees in each plant. Departments elect their own members. Members elect their chairman. The employee group conducts its own affairs, and advises on decisions affecting the welfare of all plant employees.

Grievance Committees help solve some of the problems not solved by plant management and employees. No person in General Shoe can lose his job without a review by the company's board of directors.

Our employees have their own credit unions, benefit associations, safety committees and social and athletic associations.

Pensions and Other Benefits

Pensions are just one point in the important General Shoe "More Security Protection" program. Any employee working on a major job in any plant and having 30 to 35 years of service, will receive retirement income of $100 per month or more. This includes the amount received from Social Security. General Shoe pays the full amount of its employees' retirement pensions.

Our company has a position of leadership with respect to other employee benefits, such as six paid holidays where the holiday occurs on a work day; paid vacations; group life insurance, surgical-hospitalization coverage. An employee association provides for weekly benefits during sickness.

Training for Responsibilities

Nearly all of our 700 supervisors-executives worked their way up from beginners' jobs. Every supervisor takes a continuing series of courses to make him a better supervisor. Rated-job employees promoted to supervisory jobs fill up another series of training courses.

Advertising

Telling Millions About Our Products

National advertising continues to play a major role in General Shoe's selling program. We feel that this investment has a strong influence on our long-term growth.

With the coming of television as a national advertising medium, our sales divisions were quick to employ it. We are reaching audiences nation-wide with "Acrobat Ranch," a weekly television show featuring "Tumbling Tim" and his friends, around whom we have done much sales promotion for several years. Thirty-seven stations form this ABC network from Chicago. The show is seen and heard on Saturdays.

Because of excellent television coverage (747,867 sets) and widespread distribution of Jarman men's shoes on the West Coast, we launched a twice-a-week program there, featuring Tom Harmon, former University of Michigan all-American football star. Name of the show: "Here's Harmon With Jarman."

Our Cedar-Crest work-shoe division is reaching an estimated radio audience of over ten million people in 22 states through its Saturday afternoon and evening "Cedar-Crest Jamboree," starring Cowboy Copas and his round-up of entertainers.

"HARMON FOR JARMAN," a West Coast TV show in which ex-All-American football star Tom Harmon promotes our shoes.

Beginning in February our Friendly shoes for teen-age girls will launch a national television hook-up show originating in New York. It will feature as commentator the well-known teen-age advisor, Betty Betz.

"COWBOY COPAS" and his Cedar-Crest Jamboree outfit promote our fast-growing work-shoe division in many states.

"ACROBAT RANCH" employs a full network of TV stations to capture children's interest in our Acrobat shoes.

Among our major national advertising plans is a strong campaign on W. L. Douglas shoes. It will open in *Life* magazine in the Spring.

Throughout the year you will find Jarman color ads in *Life, Saturday Evening Post, Esquire* and *Holiday*. Our Fortune shoes for men are advertised in *Look* and *Esquire*. Farm magazines are used for our Cedar-Crest work shoes.

For our women's shoe advertising, we use some of the country's top fashion magazines. These include *Harper's Bazaar, Vogue* and *Seventeen*.

Parents' magazine advertises our children's shoes.

Newspaper advertising is also used by our various lines throughout the country.

Our Retail Division

Starting with one retail shoe store in 1930, this division, under the name of General Retail Corporation, now operates stores concentrated in the metropolitan areas.

Its Jarman stores feature our leading brand of men's dress shoes. Flagg Brothers stores carry rugged types of men's shoes smartly styled and medium priced. Styles at low prices are featured in the Hardy stores. Women's shoes in the medium price field are sold in Holiday stores.

This division now operates retail stores acquired when the W. L. Douglas Shoe Company became a subsidiary of General Shoe Corporation.

Most of the Douglas stores are in states east of the Mississippi river. They will continue to sell men's and women's shoes in the medium price field, under their long-established name.

FASHION ACADEMY'S AWARD for distinction in design again went to our Fortunet shoes. Model wears a pair of these casuals at a smart New York style show.

W. L. Douglas Name Joins General Shoe Family

W. L. DOUGLAS retail stores like these now become part of a subsidiary of General Shoe.

FLAGG BROTHERS stores are known for their colorful store fronts, good locations and appealing merchandise.

THE JARMAN NAME has become one of the best known among men's shoes. Here is one of our stores.

ONE OF OUR HOLIDAY stores, selling women's shoes in the medium price field.

HARDY STORES like these sell men's shoes at popular prices.

General Shoe Corporation

NASHVILLE, TENNESSEE

Directors

General Shoe Corporation:

William M. Blackie	Noble C. Caudill	Bernard E. Reed
Henry W. Boyd, Jr.	Charles W. Cook	James P. Saunders
J. R. Braden	W. Maxey Jarman	Houghton D. Vaughn
Earle T. Bumpous	J. Harlan Lawson	William H. Wemyss
Candler W. Butler, Sr.	J. R. McCollum	Matt S. Wigginton
H. Nelson Carmichael	George W. Noland	Otis C. Williams

Officers

General Shoe Corporation:

W. Maxey Jarman	*Chairman*	Otis C. Williams	*Controller*
Henry W. Boyd, Jr.	*President*	Charles W. Cook	*Assistant Vice-President*
William H. Wemyss	*Exec. Vice-President*	H. Nelson Carmichael	*Asst. Vice-President*
J. Harlan Lawson	*General Manager*	C. W. Butler, Jr.	*Assistant Vice-President*
William M. Blackie	*Vice-President*	E. DeVaughn Woods	*Assistant Controller*
James P. Saunders	*Vice-Pres. and Sec.*	T. Douglas Oxford	*Assistant Treasurer*
Noble C. Caudill	*Vice-Pres. and Treas.*	Carl E. Stephens	*Assistant Secretary*
Matt S. Wigginton	*Vice-President*		

General Shoe Sales Corporation:

H. W. Boyd, Jr.	*President*	B. H. Willingham	*Vice-President*
M. S. Wigginton	*Executive Vice-President*	H. D. Vaughn	*Vice-President*
J. R. Braden	*Vice-President*	J. R. Byron	*Assistant Vice-President*
E. T. Bumpous	*Vice-President*	C. R. Murphy	*Assistant Vice-President*
G. W. Noland	*Vice-President*	W. W. Sledge	*Secretary*

General Retail Corporation:

William M. Blackie	*President*	E. L. Britain	*Vice-President*
J. R. McCollum	*Executive Vice-President*	W. A. Givan	*Secretary*
F. M. Weisiger	*Vice-President*	E. D. Woods	*Treasurer*
B. P. Weisiger	*Vice-President*	J. A. Meadors	*Assistant Secretary*

Transfer Agents: Guaranty Trust Company of New York, N. Y., and American National Bank, Nashville, Tenn.
Registrars: Chemical Bank and Trust Company, New York, N. Y., and the Nashville Trust Company, Nashville, Tenn.
Annual Meeting of Stockholders: March 5, 1951.

Your comments and advice regarding this Annual Report, or observations of our business, will be wholeheartedly welcomed.

Mr. Jarman:

Name (*please print*) _____

Address _____

City _____ State _____

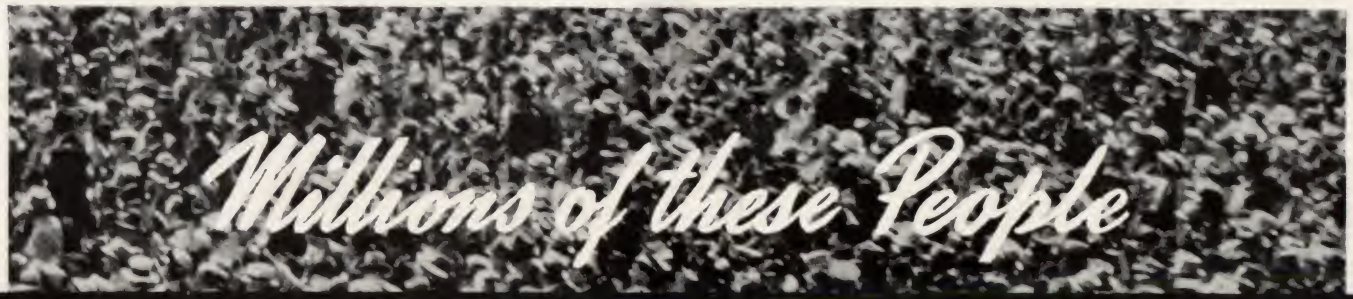
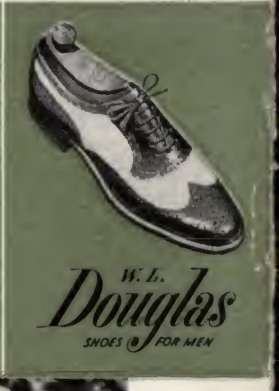
Your comments and advice regarding this Annual Report, or observations of our business, will be wholeheartedly welcomed.

Mr. Jarman:

Name (*please print*) _____

Address _____

City _____ State _____



WEAR MILLIONS OF THESE SHOES